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December 29, 1997

DEC 29 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas Secretary Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

Re:

Ex Parte Presentation in CC Docket No. 96-45; Clarification of the

Report and Order on Universal Service

Dear Ms. Salas:

On December 22, 1997, the Western Governors University sent the enclosed memorandum via facsimile to Chairman Kennard and to Commissioners Ness, Furchtgott-Roth, Powell, and Tristani with respect to the September 2, 1997 "Petition for Clarification of the Education Parties" of the Report and Order in the referenced docket. Please associate this correspondence with the record in this proceeding.

Should any questions arise concerning this matter, kindly contact the undersigned.

Very truly yours

Kenneth D. Salomon

Enclosure (in duplicate)

10+1

## EX PARTE OR LATE FILED

## Western Governors University

4 Triad, Suite 850 \* Salt Lake City, Utah 84180 \* (801 575-5358 \* Fax (801) 575-5385

TO:

The Hon. William E. Kennard Chairman Federal Communications Commission 1919 M Street, NW Washington, DC 20554 (Fax-202-418-2801) The Hon. Harold W. Furchtgott-Roth Commissioner (Fax-202-418-2802) The Hon. Susan Ness Commissioner (Fax-202-418-2821) The Hon, Michael K. Powell Commissioner (Fax-202-418-2820) The Hon. Gloria Tristani Commissioner (Fax-202-418-7542)

FROM:

E. Jeffery Livingston Chief Executive Officer

DATE:

22 December 1997

Re: Petition for Clarification of May 8, 1997 Universal Service Rules CC Docket Number 96-45

## Dear Commissioners:

On behalf of the Western Governors University ("WGU"), I urge the Commission to grant the petition for clarification of the May 8, 1997 universal service rules filed last September by the nation's leading higher education associations, including the American Council on Education, the National Association of State Universities and Land Grant Colleges, the American Association of Community Colleges, the Association of American Universities and

others. The petition requests the FCC to clarify that higher education institutions' provision of telecommunications services to the campus community, such as phone service for students in their dormitory rooms, and other ancillary and supplementary uses of their telecommunications facilities employed in support of the campus community and educational mission of the institutions, do not trigger a universal service fund obligation on the basis of revenues received.

WGU is a new and unique nonprofit virtual distance learning higher education institution, created last year by the governors of 17 states. WGU will provide learners throughout the participating states with wider, affordable access to competency-based educational services, anytime and anywhere. WGU will begin offering courses in February, 1998. Courses will originate from the campuses of colleges and universities, and certain high technology businesses located in the participating states. Delivery of instruction from the originating campuses to the students at home and at work will be accomplished primarily via telecommunications, whether by satellite, Internet, microwave, fiber, or the like. Greater details about WGU are available at our website: http://www//westgov.org/smart/vu/vu.html.

It is my understanding that three of the four immediately previous FCC Commissioners had voted for an order that would have granted the education parties' petition, but that action on circulation was not completed before you and your colleagues took office. I understand also that a draft reconsideration order of universal service rules is under consideration by the Commissioners and that the draft either does not address the educational parties' petition or rejects the requested relief. I am hard pressed to accept that Congress or the Commission intended that universal service should be implemented in a way that will drive up the cost of attendance at higher education institutions. A national commission currently is studying the causes of escalating higher education coasts and will make recommendations on ways to control costs.

The 17 governors who created WGU and those who serve on its board are deeply concerned that the imposition of universal service contribution obligations on WGU's participating colleges and universities will increase the cost of courses for WGU students, as well as the cost of attendance for residential and non-residential students at WGU participating institutions. Failure to grant the educational parties' petition for clarification would be inconsistent with the national cost containment effort. WGU, therefore, believes that it is clearly in the public interest for the Commission to exercise the same discretion it utilized on behalf of certain commercial providers in the May 8 order and grant the relief requested by the educational parties.

DEC 00 4000 45.0

<sup>1/</sup> The participating WGU states are Alaska, Arizona, Colorado, Guam, Hawaii, Idaho, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Texas, Utah, Washington, and Wyoming.